

## Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 NEA-10 ISO-00 CAB-02 CIAE-00  
COME-00 DODE-00 DOTE-00 INR-10 NSAE-00 FAA-00  
L-03 /046 W

-----003305 071841Z /43

R 071822Z SEP 78

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 7047

INFO AMEMBASSY LONDON

AMEMBASSY TEL AVIV

AMEMBASSY CAIRO

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E. O. 11652:N/A

TAGS: EAIR, FR

SUBJECT: CIVAIR: TWA FIFTH FREEDOM QUESTION

REF: PARIS 28349, STATE 214061

1. THE FRENCH DELEGATION AT SEPTEMBER 19 AND 20 CONSULTATIONS WILL BE CHAIRED BY JEAN ALAIN DESEDOUY (CHIEF, GENERAL AFFAIRS, ECONOMIC AND FINANCE BUREAU, QUAI D'ORSAY) AND WILL INCLUDE FRANCOISE CLAUDE-LA-FONTAINE (DIRECTOR OF AVIATION) AND PROBABLY ONE LAWYER FROM THE QUAI; PLUS ROBERT ESPEROU (CHIEF OF THE INTERNATIONAL AND ECONOMIC SERVICE, DGAC), ONE DGAC STATISTICAL EXPERT AND POSSIBLY ONE DGAC LAWYER; PLUS COLLETTE RIVOAL (VICE PRESIDENT, INTERNATIONAL AFFAIRS, AIR FRANCE) AND HER DEPUTY, J. B. DELVALLE.

2. FRENCH GOVERNMENT POSITIONS FOR THE TALKS DO NOT APPEAR FULLY DEVELOPED YET. HOWEVER, ON SEPTEMBER 6 CIVIL AIR ATTACHE MET WITH RIVOAL AND DEL VALLE FROM WHICH THE FOLLOWING CARRIER POSITION EMERGED:

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A. STATISTICALLY, THE FIGURES WE HAVE PROVIDED RE 1977 TWA OPERATIONS ARE VERY CLOSE TO THOSE DEVELOPED BY AIR FRANCE. HOWEVER, THERE IS A SIGNIFICANT CONCEPTUAL DIFFERENCE IN THAT FRANCE (IN LINE WITH ICAO PRACTICE, IT WAS ASSERTED) CONSIDERS STOPOVER TRAFFIC TO BE REALLY PART OF FIFTH FREEDOM TRAFFIC.

B. THE CONTROLLING DOCUMENT FOR THE CONSULTATIONS, SO FAR AS AIR FRANCE IS CONCERNED, IS PART II OF THE 1951 PROCES VERBAL WHICH SPELLS OUT A CAPACITY REGIME.

C. TEL AVIV TRAFFIC IS CONSIDERED THE MOST IMPORTANT ISSUE, WITH CAIRO RUNNING SECOND. NOT MUCH CONCERN WAS SHOWN ABOUT ATHENS AND ROME.

D. THE U.S. DATA DO NOT SHOW TWA'S SHARE OF THE TOTAL MARKET WHICH IN THE CASE OF TEL AVIV VARIES MONTHLY IN THE 21 TO 30 PERCENT RANGE, A SITUATION AIR FRANCE CONSIDERS INTOLERABLE. IN ITS VIEW SUBSTANTIALLY OVER EIGHTY PERCENT OF ANY SHOULD BE RESERVED TO THE THIRD AND FOURTH FREEDOM CARRIERS.

E. LAST APRIL THE FRENCH DELEGATION MENTIONED THAT THE RESOLUTION SHOULD BE ACHIEVED BY REDUCING TWA'S FREQUENCIES TO CAIRO FROM FIVE TO FOUR WEEKLY AND TO TEL AVIV FROM FOURTEEN TO SEVEN. RIVOAL HINTED THAT THESE NUMBERS ARE CONSIDERED IDEAL BUT THAT AIR FRANCE COULD PERHAPS ACCEPT SOMETHING HIGHER RE TEL AVIV, SO LONG AS THERE WAS A CLEAR CUT REDUCTION, IF AIRCRAFT CAPACITIES WERE CHANGED, ADJUSTMENTS IN THE AGREED FREQUENCIES WOULD HAVE TO FOLLOW.

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F. THERE ARE ALSO FARE PROBLEMS WITH TWA ON THE TEL AVIV ROUTE RIVOAL ALLEGED THAT TWA ENGAGES IN EXTENSIVE REBATING (ESPECIALLY WITH GROUPS BUYING GROUND ARRANGMENTS) AND THAT THIS IS RESPONSIBLE FOR ITS HIGH LOAD FACTOR AND ITS HIGH VOLUME. ENFORCEMENT MACHINERY IN FRANCE, SHE SAID, WAS TOO CUMBERSOME AND THE COURTS TOO UNCERTAIN TO MAKE THIS A SIGNIFICANT CONTROL DEVICE. HENCE THE EMPHASIS IS ON CAPACITY CONTROL.

G. THE TEL AVIV PROBLEM HAS EXISTED FOR MANY YEARS

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R 071822Z SEP 78  
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TO SECSTATE WASHDC 7048  
INFO AMEMBASSY LONDON  
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AMEMBASSY CAIRO

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AND SHE SAID IT WAS RAISED BY FRANCE IN THE 1971  
NEGOTIATIONS WITH THE U.S. WITHOUT SUCCESS. SINCE THEN  
AIR FRANCE HAS ATTEMPTED TO GET EL AL AND THE GOI TO  
DEAL WITH THE PROBLEM BUT IN HER VIEW THE ISRAELIS  
HAVE BEEN UNWILLING AND ARE STILL UNWILLING, TO TACKLE  
SUCH AN ISSUE INVOLVING A US CARRIER.

H. AIR FRANCE HOPES THAT THE SEPTEMBER CONSULTA-  
TIONS NOT ONLY WILL RESULT IN IMMEDIATE DECREASES IN  
TWA'S CAPACITY RE TEL AVIV AND CAIRO, BUT ALSO WILL MAKE  
PROVISION FOR PERIODIC REVIEWS OF THE MARKET SITUATION  
AND POSSIBLE FURTHER CAPACITY ADJUSTMENTS.

3. BOTH RIVOAL (AND EARLIER CLAUDE-LAFONTAINE) IN-  
DICATED THEY WERE AWARE OF PENDING NATIONAL AIRLINES  
APPLICATION TO SERVE TEL AVIV FROM MIAMI AND PARIS. THEY  
INDICATED THE FRENCH EXPECTATION THAT, SHOULD NATIONAL  
BE SO AUTHORIZED SUCH A ROUTE, ITS SERVICES WOULD BE  
INCLUDED IN WHATEVER U.S. CAPACITY CEILING WAS AGREED.  
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4. COMMENT: ON THE OCCASIONS OF OUR RECENT MEETINGS  
WITH BOTH CLAUDE-LAFONTAINE AND AIR FRANCE OFFICIALS  
(NOT ONLY RIVOAL BUT ALSO AF PRESIDENT PEROL) GREAT  
INTEREST WAS SHOWN IN THE FORTHCOMING US- FRG NEGOTI-  
ATIONS. WE ANSWERED QUESTIONS ONLY ON A BROAD BRUSH  
BASIS, AND WOULD ANTICIPATE US DEL WILL BE IN-  
TERROGATED ON THIS AT SEPTEMBER 19 LUNCHEON. IF DEPART-

MENT AGREES, WE WILL BRIEF RIVOAL IN ADVANCE ON CONTENTS  
OF STATE 219917 AND 219915. IT MIGHT BE USEFUL FOR US  
TO SUGGEST THAT WE COULD CONSIDER A SIMILAR DEAL WITH  
FRANCE. EVEN THOUGH THE FRENCH ARE PRESENTLY OPPOSED TO  
THE MAIN THRUST OF U.S. AVIAITION POLICY, THEY ARE  
ATTEMPTING TO WORK OUT THEIR OWN LONGER TERM CARRIER  
OBJECTIVES ON THE NORTH ATLANTIC. A U.S. PRESENTATION  
OF OUR BASIC APPROACH TO THE GERMANS, FOLLOWED UP BY  
WHATEVER MORE SPECIFIC INDICATIONS THE US CHAIRMAN  
MIGHT GIVE WHILE HERE, WOULD BE A USEFUL COUNTERPART  
TO THE BRIEFINGS THE FRENCH ARE PRESENTLY GETTING FROM  
THE GERMANS, AND COULD ASSIST IN BRINGING THE AIR  
FRANCE EXERCISE TO A CONCLUSION MORE FAVORABLE TO U.S.  
POLICY OBJECTIVES THAN MIGHT OTHERWISE BE THE CASE.  
HARTMAN

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## Message Attributes

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